



STATE OF WASHINGTON

DEPARTMENT OF AGRICULTURE

P.O. Box 42560 • Olympia, Washington 98504-2560 • (360) 902-1800

Comments Sought on Amendments to the Organic Certification Rules for Organic Producers

The Organic Food Program is proposing changes to chapter 16-157 WAC, Organic Standards and Certification. The proposed amendments change the application deadline, remove the cap on organic producer certification fees and change transitional certification fees.

WSDA is proposing to change the renewal application deadline for organic producers from March 1 to February 1. The change will enable the WSDA Organic Food Program to review renewal applications before the start of the field season. WSDA plans on mailing out the renewal application packets in early December to provide sufficient time for producers to complete the application paperwork before the February 1 deadline. WSDA is also proposing to remove the cap on organic producer fees and change the fee structure for transitional certification. These changes are proposed to more equitably recover the costs of providing organic certification to organic producers.

Your comments are important! Please review the proposal and direct comments or suggestions to our office by 5 p.m., October 19, 2005.

SEND COMMENTS TO MILES McEVOY AT:

Email: mmcevoy@agr.wa.gov

Mail: WSDA Organic Food Program, PO BOX 42560, Olympia WA 98504-2560

FAX: (360) 902-2087

Contact Miles McEvoy via telephone at (360) 902-1924
with any questions regarding the proposed amendments.

**Public Hearing
Wednesday,
October 19, 2005
1:00 PM
Room 259, 2nd Floor,
Natural Resources Building
1111 Washington Street
Olympia, WA 98504**

Contact Jennifer Watson at (360) 902-1885, jwatson@agr.wa.gov for directions.

BACKGROUND INFORMATION

The National Organic Program (NOP) sets uniform standards for the production, handling and labeling of organic food products in the United States. As of October 21, 2002 all organic food products must be produced, handled and labeled in compliance with the NOP.

Prior to the implementation of the National Organic Program, organic standards in Washington State were set in the Washington Administrative Code (WAC). The Washington State Department of Agriculture (WSDA) set organic standards and provided certification to organic producers, processors and handlers. With the implementation of the NOP, organic standards are now set at the federal level. WSDA continues to provide organic certification as an NOP accredited organic certification agency.

PURPOSE OF THE PROPOSED RULE AMENDMENTS

Changing the application deadline

Applications for organic certification flood the Organic Food Program office in March of every year. The applications are difficult to process in a timely manner due to the number of applications received at the same time. The program is proposing to move the application deadline for producers from March 1 to February 1 to enable more time for processing applications and enable better preparation for the busy field season.

The WSDA Organic Advisory Board (OAB) reviewed the proposed changes at the April 2005 Organic Advisory Board meeting. The OAB supported the proposal as long as the application packets are sent out at least 6 weeks before the application deadline. WSDA plans on sending out the 2006 renewal producer applications in early December 2005 to provide sufficient time to complete the applications before the February 1 deadline.

Removing the cap on organic producer certification fees

By statute, the WSDA Organic Food Program is required to recover the full cost of the program from organic certification fees. The program does not receive any general fund support and is required by statute to develop a fee schedule to pay for the cost of organic certification. There are a number of costs involved in providing organic certification services to the applicant. Staff time is needed to review applications, information must be entered into the program's database, certificates must be issued, inspection reports must be reviewed, applicants must be billed, and files must be copied for inspectors. Inspection costs include travel costs and the time involved in scheduling inspections, conducting the inspection and completing the inspection report. In addition there are numerous costs associated with administering the program including accounting, payroll, database development and maintenance, and accreditation expenses.

As the size and complexity of an organic operation increases there are more costs associated with providing organic certification services. The current fee schedule is structured to have larger operations pay higher fees to cover the cost of providing the service. In 2002, we established a \$10,000 cap on certification fees for sales over \$7,000,000. We established a \$10,000 cap on fees because we thought that the cost of providing certification to operations with sales over \$7,000,000 would not exceed \$10,000 per year and would not increase as the sales of operations increased above \$7,000,000.

We are proposing to remove this \$10,000 cap because we have observed that as the sales of an organic operation increase the costs of providing organic certification services also increases. Increased costs are due to longer and more frequent inspections and more administrative expenses. At the current time there are no organic operations that have sales over \$7,000,000 and no organic operations would be affected by this change. We estimate that there will be a handful of operations with sales over \$7,000,000 by 2010.

Changing the transitional certification fees

Transitional certification is provided for producers that wish to certify their land during the transition from conventional to organic food production. Transitional certification ensures that producers are complying with organic standards and that organic certification will be granted once the transitional period is complete. Transitional certification fees were established at \$5 per acre in 2002 to cover the cost of inspecting and certifying transitional land.

We have determined that the cost of providing transitional certification is related to the number of sites and not to the size of the transitional site. Therefore we are proposing to change the transitional fee from \$5 per acre to \$50 per site.

Your comments are important! Please send your comments to our office by 5 p.m., October 19, 2005. Your comments can be submitted by using this Response Form, by commenting at the public hearing, or by submitting other written comments by email or fax.

Response Form

Comments:

[illegible]

Name _____

Address:

Comments can be e-mailed to Miles McEvoy at mmcevoy@agr.wa.gov, mailed to WSDA Organic Food Program, PO BOX 42560, Olympia WA 98504-2560 or faxed to (360) 902-2087.